*[English]*

**Premium Rates of Insurance**

43. SHRI L. RAMANA : Will the Minister of FINANCE be pleased to state:

(a) the details of the authorities who decides the premium rates and conditions of insurance; and

(b) the power of Tariff Advisory Committee in this regard?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). Tariff Advisory Committee (TAC), established under section 64 U of the Insurance Act 1938 is the authority to control and regulate the rates, advantages, terms and conditions that may be offered by insurers in respect general insurance business.

In terms of section 64UC of the Insurance Act, 1938 the TAC may from time to time and to the extent it deems expedient control and regulate the rates, advantages, terms and conditions that may be offered by insurers in respect of any risk or of any class or category of risks, the rates, advantages, terms and conditions of which, in its opinion rates, advantages, terms and conditions shall be binding on all insurers.

**Decline In Foreign Trade**

44. SHRIMATI RATNMALA D. SAVANOOR
SHRI R. SAMBASIVA RAO
SHRI KACHARU BHAU RAUT

Will the Minister of COMMERCE be pleased to state:

(a) whether both the exports and imports have drastically declined during 1996;

(b) if so, the reasons therefor and the details of shortfall of both exports and imports during 1996;

(c) whether any concerete programme has been drawn up after having discussions and making sector-wise assessment of the reasons for the poor performance on the foreign trade front ; and

(d) if so, the details thereof and the main target set for the import and exports during 1996 and to what extent it fell short?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). As per DGCI&S data, exports during April-Dec. 1996 are estimated at US $ 24204.83 million representing a growth of 6.36% over the export level valued at US $ 22757.31 million for the same period last year. Imports during April – Dec. 1996 are estimated at US $ 27452.39 million which is 4.41% higher than the level of US $ 26292.17 million for the same period last year.

(c) and (d). Export performance is influenced, *inter-alia*, by international market conditions infrastructure, policy framework etc. Export promotion is a continuous exercise by the Government through simplification of policy and procedures for providing export friendly environment involvement of States in export promotion consultation with export organisations trade and industry to tackle general as well as sector specific problems for initiation of appropriate remedial measures from time to time.

At the beginning of the year 1996-97 it was envisaged that export would grow by 18-20% over the level of exports of the previous year. Having regard to the perfromance during the year its is felt that exports in the full year might be lower than originally anticipated. No targets are fixed for imports.

*[Translation]*

**Funds for Handloom Co-operative Societies**

45. SHRI D.P. YADAV : Will the Minister of TEXTILES be pleased to state :

(a) the number of Handlooms Co-operative Societies functioning at present in Uttar Pradesh;

(b) the amount of financial assistance provided to them by the Union Government during the last year; and

(c) The schemes under which assistance is being given to them alongwith the guidelines in this regard?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) There are 4817 Handloom Co-operative Societies functioning at present in Uttar Pradesh as reported by the State Government.

(b) and (c) Financial assistance is provided by the Government of India to all the Handloom Organisations including Co-operative Societies on the basis of the proposals received from the State Governments. Funds released under varioius on-going programmes to Government of Uttar Pradesh as a whole alongwith guidelines are as under:

*(i) Handloom Development Centre/Quality Dyeing Unit:* Funds provided under the scheme are to redress the important problems faced by the handloom weavers like supply of yarn of requisite count, lack of quality dyeing facility, training in dyeing practices, marketing facilities, working capital, design development etc. During the year 1995-96, a sum of Rs. 140.13 lakhs had been released to the state Government of Uttar Pradesh under the scheme for setting up of 7 Handloom Development Centres and 8 Quality Dyeing Units.

*(ii) Project Package Scheme:* In order to provide component-wise set of need based support and to enable accrual of benefit physically available to weavers the Government of India introduced Project Package Scheme under which Rs.42.35 lakhs had been released to the Government of Uttar Pradesh for 5 Projects during 1995-96.

*(iii) Integrated Handloom Village Development* : To provide all types of facilities in terms of skill upgradation, productivity, infrastructure and to give concerted and special attention to languishing and traditional crafts, the

Scheme of Integrated Handloom Village Development was introduced in the year 1991-92 under which a sum of Rs. 24.35 lakhs had been released to the Government of Uttar Pradesh covering 2 villages.

*(iv) Market Development Assistance*: This Scheme provides assistance to Primary Societies including Handloom Corporations, Apex Societies to meet the expenditure on interest subsidy, rebate/discount and other consumer incentives on Non-Janata Handloom products, Capital/ Margin Money for setting up of showrooms and various other purposes approved by the State/Central Government. A sum of Rs. 415.56 lakhs has been released to Govenment of Uttar Preadesh, out of which Rs. 15.87 lakhs was released in favour of Primary Societies

*(v) National Design Collection Programme* : In order to obtain better designs and their sale through special exhibitions and related publicity efforts, Government of Uttar Pradesh had been provided a sum of Rs. 1.75 lakh in 1995-96 under National Design Collection Programme.

*(vi) Margin Money for Destitude Weavers* : Under this Scheme co-operative societies who have atleast 50% of Destitute Weavers and if the society is running in profit for the last two years and also having marginal losses not more than 10% of the turn-over are eligible to get assistance @ Rs. 2,000/- per destitute weaver subject to a maximum ceiling of Rs. 1.00 lakh per society. During 1995-96, a sum of Rs. 47.53 lakhs was released to Government of Uttar Pradesh.

*(vii) Group Insurance Scheme* : Government of India has introduced this Scheme for Handloom Weavers from the Year 1992-93 in order to meet socio-economic obligation of weaver towards his family and the uncertainty of his working capacity in old age. Under the Scheme, a weaver is provided an Insurance cover of Rs. 10,000/- for an annual premium @ Rs. 120/-. The premium is shared equally between the beneficiary, the Central/State Governments. During 1995-96, a sum of Rs. 10.00 lakhs was provided to Uttar Pradesh Government

*(viii) Thrift Fund Scheme* : This Scheme provides a measure of social security to the weavers by envisaging creation of a fund in the nature of provident fund. Weavers are required to contribute 8% of their wages to the funds and both the Central and State Governments contribute 4% each. During 1995-96, a sum of Rs. 22.50 lakhs was released to Government of Uttar Pradesh.

*(ix) Workshed-cum-Housing Scheme* : The objective of the Scheme is to povide a dwelling unit and suitable work place to weaver to improve their productivity and earnings. Under the Scheme, the estimated cost of Rural House-cum Workshed is Rs. 20,000/- for which a Central subsidy of Rs. 14,000/- is provided and of Urban House-Cum-Workshed is Rs. 30,000/- for which also the same amount of Central subsidy is made available. For worksheds the unit cost is Rs. 5,000/- for which Central Government provides a subsidy of Rs. 4,000/- During 1995-96 a sum of Rs. 100.00 lakhs was released to Government of Uttar Pradesh

*(x) Janata Cloth Scheme* : Under this Scheme, subsidy is provided @ Rs. 3.40 per sq. mtr. on production and thereafter on deliveries of Jananta Cloth. In Uttar Pradesh, subsidy is provided to U.P. Handloom Corporation and UPICA. A sum of Rs. 425.47 lakhs was released in favour of Uttar Pradesh Industrial Cooperative Association.

*(xi) Hank Yarn Price Subsidy Scheme* : In the wake of unprecedented hike in prices of yarn, the above scheme was introduced under which a subisdy @ Rs. 20/- per kg. was granted to handloom organisations. A sum of Rs. 229.86 lakhs was released during 1995-96 to Government of Uttar Pradesh. Out of which Rs. 108.55 lakhs was released to Uttar Pradesh Industrial Cooperative Association (UPICA).

**Foreign Investment**

46. SHRI DATTA MEGHE : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have offered an open invitation for foreign investment in the country,

(b) if so, the details thereof ;

(c) whether any other country has asked India or Indian industrialists abroad for investment in their country ; and

(d) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (d) The role of Foreign Direct Investment as a means to support domestic investment for achieving a high level of economic development is well recognised. Increasing the inflow of FDI into the country has been an important cornerstone of the economic reforms programme with the objective of moving India rapidly into the global economy, making Indian industry internationally competitive, ensuring optimal utilisation of human and natural resources and transforming India into a major partner of developed and developing nations. With these objectives in view, Government of India encourage foreign investment in India. Similarly other countries also have their programmes and they also encourage foreign investment in their countries where industralists including from India could avail of available opportunities.

**Fraud in Insurance Claims**

47. SHRI PAWAN DIWAN:
SHRI MOHAMMAD ALI ASHRAF FATMI:

Will the Minister of FINANCE be pleased to state:

(a) whether the persons involved in the fraud insurance claims cases during 1994 and 1995 could not be punished as no action was taken against them;

(b) if so, the reasons therefore in each case;

(c) the number of cases handed over to C.B.I. out of them; and

(d) the steps the Government propose to take to prevent fraud insurance claims ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) No, Sir. It has been reported by the